



**STATE OF WASHINGTON**  
**DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
**MEDICAL ASSISTANCE ADMINISTRATION**  
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July 29, 2003

**TO:** Regional Administrators  
CSO Administrators  
All Financial Staff

**FROM:** Steven Wish, Director  
Division of Customer Support  
Medical Assistance Administration

Michael W. Masten, Director  
Community Services Division  
Economic Services Administration

**SUBJECT: INCOME BUDGETING METHODS FOR MEDICAL ASSISTANCE**

Effective with the July ACES release, there are now 2 income calculation methods:

- **AM – Anticipated Monthly:** actual monthly income is budgeted
- **CA – Combined Average:** averaged monthly income is budgeted.  
The frequency of pay on the EARN and UNER screens is used to determine whether the income is averaged by 4.3 (weekly), 2.15 (every other week) or 2 (paid twice a month).

MAA has historically maintained that all medical assistance benefits are calculated using anticipated actual income (AM method). However, medical cases are often tied to cash or Basic Food benefits that can use the combined average (CA) method. This difference in methods has caused confusion for field staff and clients. This memo is to inform staff that the combined average method can now be used for most medical assistance programs. This will allow consistency between cash, food and medical programs.

**When are staff required to use the Anticipated Monthly (AM) method of calculation?**

Financial staff must use the AM income method for the following mandatory situations described in [WAC 388-450-0215](#):

- For a client who receives SSI, Social Security, or SSI-related medical benefits;

- For a client who has income allocated to someone receiving SSI-related medical benefits;  
or
- When a client has already received income in the month they apply for benefits

**When can staff use the Combined Averaging (CA) method?**

Financial staff can use *either* AM or CA methodology for all other medical cases. The current WAC and EA-Z manual material support this policy.

Apply the following rules when choosing an income method:

1. Staff and/or the client can select the income budgeting method that provides the client with the most comprehensive medical coverage and the lowest premium cost (for SCHIP)
2. Document on the ACES 'REMARKS' screen the income method used and why it was selected.

If you have any questions, please contact your MAA regional representative at:

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